



Consent Decree, Case DJ # 90-5-2-1-11484

Semi-Annual Report

Reporting Period: January 1, 2020 – June 30, 2020

August 31, 2020

HighPoint Operating Corporation ("HighPoint") is submitting this Semi-Annual Report due August 31, 2020 per the Consent Decree in the case matter of DJ # 90-5-2-1-11484. The reporting period covered by this Semi-Annual Report is from January 1, 2020 through June 30, 2020.

The following sections contain a summary of compliance with references to attachments and supporting data.

APPENDICES

HighPoint has no changes to the appendices.

DEVELOPMENT OF AN OPEN LOOP MODELING GUIDELINE and DEVELOPMENT OF A CLOSED LOOP VCS DESIGN GUIDELINE (Attachment A)

Paragraph 38.a Requirement: *"A copy of the Open Loop Modeling Guideline or Closed Loop Design Guideline if they were revised during the reporting period."*

HighPoint has no revisions to report regarding the Open Loop and Closed Loop Modeling Guidelines.

VCS FIELD SURVEY, ENGINEERING EVALUATION, AND MODIFICATION and CLOSED LOOP VCS FIELD SURVEY AND ENGINEERING EVALUATION (Attachment B)

Paragraph 38.b Requirement: *"Status and/or completion of either the Open or Closed Loop Engineering Evaluations and any Open Loop Vapor Control System modifications, including a list of any Tank Systems Shut-In for which either an Open or Closed Loop Engineering Evaluation or any Open Loop Vapor Control System modifications resulting from the Open Loop Engineering Evaluation have not been performed, a summary of modifications to Open Loop Vapor Control Systems completed during the reporting period, and the information specified in either Appendix B, subparagraph 3(b)(3) or Appendix C, subparagraph 2(b)(3) for Tank Systems that underwent the subparagraph Appendix B, subparagraph 3(a)–(b) or Appendix C, subparagraph 2(a)–(b) (Field Survey) evaluation during the reporting period."*

HighPoint has previously submitted a one-time evaluation of the condition of all PRVs, thief hatches, blowdown valves, mountings, and gaskets at each tank in the Vapor Control System at facilities listed in Appendix A.1 and A.2. There is no additional reporting at this time.

OPEN LOOP VCS INITIAL VERIFICATION and CLOSED LOOP VCS VERIFICATION OF ENGINEERING EVALUATION (Attachment C)

Paragraph 38.c Requirement: *"The information identified in Appendix B, subparagraph 4(b) (Open Loop Vapor Control Systems Certification of Completion Report) or Appendix C, subparagraph 3(c) (Closed Loop Vapor Control Systems Certification of Completion Report)."*

HighPoint has no changes to the open loop certification of completion report.

Appendix C, subparagraph 3(c) (Closed Loop Vapor Control Systems Certification of Completion Report)

HighPoint has no changes to the closed loop certification of completion report.

OPEN LOOP VCS POST-CERTIFICATIONS OF COMPLETION MODIFICATIONS and CLOSED LOOP VCS MODIFICATION (Attachment D)

Paragraph 38.d Requirement: *"A summary of any evaluations undertaken pursuant to Appendix B, Paragraph 5 or Appendix C, subparagraph 2(d) during that reporting period to determine whether modifications were necessary at Vapor Control Systems for other Tank Systems and the timing, results, locations, and description of any modifications of other Vapor Control Systems or a timeline for the completion such modifications."*

Open Loop Vapor Control System Post-Certification of Completion Modifications (Appendix B, Paragraph 5)

HighPoint modified the Anschutz State 4-62-2 on June 11, 2020. Operations removed a VRU and re-routed flash gas to a different flash gas knockout vessel onsite. The new line to the flash gas knockout was installed underground and was 2" with isolation valves on each side. Before modifying the facility, HighPoint completed a design analysis successfully demonstrating the peak tank pressure, oz/in², would remain under applicable thresholds. After modification, an IR camera inspection was performed on 6/15/2020.

Please see Excel Spreadsheet:

"08.31.20 HighPoint_SARAttachment_Protected" for Att. D Post Cert Mods

Closed Loop Vapor Control System Modification (Appendix C, subparagraph 2(d))

HighPoint has nothing to report regarding Closed Loop Vapor Control System Modification

CLOSED LOOP VCS ALARM AND SHUT-IN LOG (Attachment E)

Paragraph 38.e Requirement: *"A copy of the alarm and Shut-In log required under Appendix C, subparagraph 3(d), in a spreadsheet."*

Closed Loop Vapor Control System Alarm and Shut-In Log (Appendix C, Subparagraph 3(d))

HighPoint is providing a copy of the alarm and Shut-In log in spreadsheet form in Attachment E Closed Alarm & SI Log. For duration of alarm we are providing the duration of time at or above either the trigger point, leak point, or set point. By way of example, if leak point but not set point was exceeded, then only the duration of time above leak point and below set point is provided, not the duration of time above trigger point and below leak point.

Please see Excel Spreadsheet:

"08.31.20 HighPoint_SARAttachment_Protected" for Att. E Closed Alarm and SI Log

DIRECTED INSPECTION AND PREVENTATIVE MAINTENANCE PROGRAM ("DI/PM") (Attachment F)

Paragraph 38.f Requirement: *"Status of DI/PM program development and implementation, including a copy of HighPoint's DI/PM program if revised during the reporting period, identification of any new or modified maintenance or inspection schedules or replacement program (see subparagraph 10(c)) during the reporting period, a summary of any reviews of or modifications to the spare parts program (see subparagraph 10(d)) during the reporting period, and, beginning with the Semi-Annual Report due August 29, 2020, the information required by subparagraph 10(g)(5)."*

Directed Inspection and Preventative Maintenance Program (Paragraph 10):

HighPoint's DI/PM program was fully implemented as of February 18, 2019. HighPoint revised the DI/PM program in July 2020 due to regulatory and general permit changes in Colorado. A new DI/PM program document is attached to this semi-annual report, but HighPoint anticipates further review and revision due to rulemaking and recently released revisions to NSPS Subpart OOOOa.

PERIODIC INSPECTIONS AND MONITORING (Attachment G)

Paragraph 38.g Requirement: *"The information identified in subparagraph 11(c) for periodic inspections and monitoring."*

Periodic Inspections and Monitoring (Paragraph 11)

HighPoint is providing a copy of the inspection and monitoring log in spreadsheet form in Attachment G PM. The log includes completed inspections and any instance where Reliable Information was observed and completed corrective actions.

Please see Excel Spreadsheet:

"08.31.20 HighPoint_SARAttachment_Protected" for Att. G PM

RELIABLE INFORMATION, INVESTIGATION, AND CORRECTIVE ACTION (Attachment H)

Paragraph 38.h Requirement: *"Copies of the spreadsheets as specified and required by subparagraphs 12(b)–(d) for inspections conducted pursuant to Paragraph 12 during the reporting period and the results of any Root Cause Analysis as specified and required pursuant to subparagraph 12(e)(1) during the reporting period."*

Reliable Information, Investigation, and Corrective Action (Paragraph 12)

HighPoint is providing a copy of the Reliable Information, Investigation, and Corrective Action log in spreadsheet form in Attachment H RI.

HighPoint's 2019 Q4 root cause analysis, due March 31, 2020, and 2020 Q1 root cause analysis, due June 30, 2020, are provided with this Semi-Annual Report as attachments.

Please see Excel Spreadsheet:

"08.31.20 HighPoint_SARAttachments_Protected" for Att. H RI

Please See Attachments

"HighPoint_RCA_03312020"

"HighPoint_RCA_06302020"

OPEN LOOP VCS VERIFICATION OF DESIGN ANALYSIS (Attachment I)

Paragraph 38.i Requirement: *"The Verification Report identified in subparagraph 6(e) (as applicable), and the status of any ongoing verification."*

HighPoint has not changed the Verification Report submitted with the February 28, 2020 Semi-Annual Report. HighPoint will continue to include this information in the semi-annual report because of five (5) long-term shut-in tank systems. If the long-term shut-in facilities are modified and return to production Highpoint will request a 3rd party review of the design analysis by SLR International Corporation (SLR).

Please see Excel Spreadsheet:

"08.31.20 HighPoint_SARAttachments_Protected" for Att. I OpenLoop DA Verification

TANK PRESSURE MONITORING (Attachment J)

Paragraph 38.j Requirement: *"Status and/or completion of installation of pressure monitors, including the information specified and required by subparagraph 15(g)."*

HighPoint has no reporting requirements for Tank Pressure Monitoring (Paragraph 15) for this reporting period. Please refer to TEMS data.

ENVIRONMENTAL MITIGATION PROJECT (Attachment K)

Paragraph 38.k Requirement: *"A summary of activities undertaken during the reporting period and a summary of costs incurred since the previous report."*

Environmental Mitigation Project (Section V and Appendix D)

HighPoint has completed all necessary requirements of the mitigation project.

STATE-ONLY SEP(s) (Attachment L)

Paragraph 38.l Requirement: *"A summary of activities undertaken and costs incurred since the previous report."*

On October 10, 2019, Volunteers for Outdoor Colorado (VOC) acknowledged HighPoint's contribution of \$220,000 through the State's Supplemental Environmental Projects program.

PROBLEMS (Attachment M)

Paragraph 38.m Requirement: *"A summary of any problems encountered or anticipated in complying with this Consent Decree during the reporting period, together with implemented or proposed solutions, if available."*

There are no problems to report at this time.

Non-Compliance (Attachment N)

Paragraph 38.n Requirement: *"A description of any non-compliance with the requirements of this Consent Decree during the reporting period and an explanation of the likely cause and of the remedial steps taken, or to be taken, to prevent or minimize such violation."*

There is no non-compliance to report at this time.



Pursuant to Paragraph 41 of the COC, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

A handwritten signature in blue ink, appearing to read "KWonstolen", is written over a horizontal line.

Ken Wonstolen

Vice President and General Counsel

A handwritten date "8/31/20" in blue ink is written over a horizontal line.

Date